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# Native Administration Memoranda

## No. III—Native Treasuries

*Third Edition*

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# MEMO III.—(*Third Edition*)

## NATIVE TREASURIES

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## NATIVE TREASURIES

(Third Edition)

1. The principles underlying the idea of Native Treasuries, which are part of the machinery of a Native Administration, should be thoroughly understood by Administrative Officers and kept steadily in view. We have to train the Native Authorities and the people in this, as in other branches of administration, according to civilized standards, and the process of development, if it is to be on any secure foundations, must be a slow one. A Native Administration must have its Treasury, as well as its executive officers and its courts, for experience teaches that it soon becomes of little account if no funds are placed at its disposal out of which it can pay the salaries of its personnel, build its own court-houses and schools, and make its own roads, etc.

Principle of  
Native  
Treasuries

2. Of the principles to which reference has been made one of the most important is that the Native Authorities and people should feel that the former are being paid by their own Native Administration and not by Government and that the funds of the Native Administration are their funds, to be expended by themselves subject only to such supervision as is necessary to prevent waste and misappropriation, in so far as it is possible to prevent these without damage to the essential principles involved. Conditions vary greatly throughout the Territory and we have to deal with Native Authorities of widely different degrees of ability and civilization; indeed in some places there is no head chief, and we have had to adopt the expedient of a council of chiefs or headmen; the extent therefore to which it is possible to devolve responsibility must also vary, though the principles remain the same.

The funds of  
the Native  
Treasuries  
are their own

3. Where Native Administrations are set up the house and poll tax must be collected by them, for their authority is greatly weakened if the tax is paid to the Government and not to them, and this is especially important to us here at this moment when the most important remaining bond of duty from the people to the chiefs, expressed in terms of tribute and service, has been loosened. In this country where there is a flat rate of tax throughout the unit and where everyone gets a receipt for his tax the opportunities for oppression and extortion are small. Where there is no Native Administration the local authorities should also be used as far as possible for the collection of tax.

House and  
Poll Tax to  
be collected  
by Native  
Admini-  
strations

General  
control of the  
Treasuries

4. These general observations must be borne in mind when the degree of control to be exercised over a Native Treasury is under consideration; it is possible to devise a system of control so efficient as practically to make malversation or waste impossible, but so close as to amount to the transfer of all responsibility from the Native Authority to the District Officer so that the British officer in reality takes possession of the funds of the units and expends them as he thinks they should be expended; more efficiently no doubt than would be the case if the Native Authority expended them, but wholly in conflict with the principles of Native Administration as advocated in these memoranda. The position is particularly difficult where there is a council of chiefs or headmen, for the tendency will be for all financial responsibility and control to pass into the hands of their clerk, who may be the only literate man among them, and the individual chiefs will often be found to prefer that it should be so, from indolence or shrinking from responsibility; in this connection reference should be made to Native Administration Memorandum No. I, third edition, where these councils are more fully discussed. Again, at the other extreme, a chief may be left with so little supervision that grave abuses occur, and the Native Treasury becomes in effect his private banking account.

Provincial  
Commissioner's  
discretion in  
control of  
Treasuries

5. For all these reasons it is impossible to lay down hard and fast rules, and the Governor has, therefore, left it to Provincial Commissioners in consultation with their District Officers to make the best arrangements for supervision and control that the circumstances of the case admit; but the principle must never be lost to sight that the money belongs to the Native Administrations and the primary responsibility is theirs.

Native  
Authorities  
to be  
entrusted  
with  
financial  
respons-  
ibility

6. There is a tendency to look for too high a standard in the Native Authority and to withhold responsibility because chiefs cannot be found with standards which might be expected in the best sections of English public life; but if there is no devolution of real responsibility and accounting functions, there can be no progress. It is of much greater importance that a Native Authority should have the actual custody and spending of a hundred shillings than that in theory he should control ten thousand which are in fact administered for him by a British officer.

Revenue  
how derived

7. The revenue of Native Treasuries is derived from—

(a) Share of the house and poll tax;

(b) Native court fines and fees;

(c) Salt royalties and certain local fees and dues the imposition of which has been sanctioned by rules under section 15 of the Native Authority Ordinance;

(d) Sales of produce from seed farms, motor lorry receipts, etc. All receipts of this description must be credited to revenue;



(e) In the case of some of the poorer units, grants-in-aid from the Government. These grants should be shown in the revenue estimates, and item 5 of the financial statement should be modified so as to read :—

Add estimate of revenue for 19.....					
Recurrent	...	...	...	...	...
Grant-in-aid	...	...	...	...	... (Total)

8. Native Authorities who collect house and poll tax will pay it in full to the Sub-Accountant who will credit the whole amount to revenue and forthwith refund to the Native Treasury concerned the proportion which is its due. The house and poll tax is part of the general revenue of the Territory and should not, therefore, be passed through the ordinary accounts of the Native Treasury, but a special book for receipts from collectors and remittances to the Sub-Accountant may be kept if desired. The share of the Native Administration should be calculated on the taxes collected within the one financial year, whether the tax belongs to that year or is in arrear from the previous year (e.g., 1937 taxes collected in 1938 will be set off as a general rule against 1938 taxes collected in 1939). If a Native Administration finds that under this process it is not making the revenue for which it budgeted it must cut down its recurrent expenditure so as to keep it within the revenue. Since arrangements have now been made whereby a native may pay his home tax at any Boma, and for the repayment of rebate in such a case to the treasury of his home district, the system of applying for block grants in respect of the rebate due on the taxes of taxpayers absent at work will be discontinued. Whether the house and poll tax is collected by the chiefs or not the cost of collection over and above the cost of the normal staff of the Native Administration will be borne by Government. The amounts due to the Native Treasuries may be :—

(a) Drawn by the chief in cash, in which case the chief or authorized representative of the Native Authority will sign the receipt form on the Sub-Accountant's voucher.

(b) Paid to a bank for the credit of a Native Treasury Account, in which case the receipt of the bank will suffice.

Full instructions as to the collection of house and poll tax by Native Administrations are given in Native Administration Memorandum No. VIII.

9. It is recognized that as Native Administrations grow their financial operations become more complex and for that reason the Governor is willing to permit large units to employ competent natives as "accountants" or "treasurers." The position should be one of honour and responsibility, and should be well, indeed generously, paid; the personal responsibility of the chiefs remains but it is realized they must have competent assistance. In this connection a careful study of native

Share of  
House and  
Poll Tax how  
drawn

Large units  
may employ  
competent  
natives as  
"account-  
tants" or  
"treasurers"

tribal organization is necessary, because many tribes do in fact possess what may be called "Officers of State" whose duties in the past consisted in supervising the collection of tribute and the employment of the free labour which was rendered to the chiefs. Where such people existed, clearly their office is that which should be developed and modernized to meet present day conditions. Wherever possible, the appropriate title in the vernacular should be ascertained and used to describe these officers.

Native  
Treasuries  
not subject  
to Treasury  
and Audit  
control

10. The revenue of Native Treasuries (including native courts) does not form part of the general revenue of the Government and the financial transactions of the Native Treasuries do not come under the supervision of the Accountant-General and the Auditor.

Supervision  
of financial  
transactions  
of Native  
Authorities  
by Provin-  
cial Commis-  
sioners and  
District  
Officers

11. The District Officer is responsible for the supervision of the financial transactions of the Native Authorities under him, and the Provincial Commissioner is responsible for the proper discharge of this duty by District Officers and for supervising such financial transactions as District Officers may themselves have to undertake. It is realized that it may not be possible for either of them to make a detailed audit of the books and vouchers, though this should be done if possible, but they should be able to exercise as much supervision generally, and by means of "trial audits," as could be exercised by a Treasury or Audit officer or by any other Administrative officer appointed specially for the purpose.

Bank to be  
used when  
available

12. Bank accounts should be opened for Native Treasury funds. Where units are of a sufficient size to warrant it, there should be a separate bank account for each Native Treasury, but where because units are numerous and their resources small, this is impracticable, a common account for all the Native Treasuries in the district should be opened and operated by the District Officer who will from time to time draw such sums as may be necessary to put the various Native Treasuries in funds or to pay accounts on their behalf to local firms, etc. In this case the countersignature of a second Administrative officer on cheques should if possible be arranged for, and a file of receipts from Native Treasuries for amounts so drawn should be kept; in each case cheques should be made payable to the Native Treasuries for whom they are intended and encashed by its authorized representative. As far as possible payments should be made in cash through the cash account and the issue of numerous cheques for small amounts should be avoided. Payments to local firms for goods supplied or services rendered should, however, be made by cheque through the bank account unless the amounts are small. Payments made through the post should always be by cheque or postal or money order. Letters containing remittances must be registered.



13. Where Native Treasuries have their own banking accounts they should make out their own cheques which should be signed by the Chief, or authorized representative of the Native Treasury, countersigned by the District Officer or an Assistant District Officer and encashed as in paragraph 12 above, or sent to the payee.

Method of  
drawing  
cheques

14.—(i) Subject to (ii) below, no expenditure may be incurred without the prior sanction of the Provincial Commissioner: the manner of preparation and submission of annual budgets is dealt with in paragraphs 19 to 22: when these have received the Provincial Commissioner's approval they must be followed.

Provincial  
Com-  
missioner  
sanctions  
expenditure  
except in  
certain cases

(ii) In circumstances of urgency, District Officers may authorize such expenditure as may be necessary for any purpose provided that prior reference to the Provincial Commissioner is impossible. Provincial Commissioners must see that this discretion is exercised only when it is really necessary and that a full report of the circumstances is submitted to them without delay.

(iii) Provincial Commissioners must clearly understand that authority to approve the Annual Estimates of Native Treasuries and Supplementary Estimates thereon is delegated to them subject to the observance of the general provisions of this Memorandum on the framing of estimates and on the understanding that—

(1) Policy is not changed without reference to Government.

(2) No liability, direct or indirect, for increased expenditure falls upon Government.

(3) Estimates presenting any unusual difficulties or disclosing any cause for anxiety due to a serious shortfall in revenue or diminution of surplus balance are submitted for prior approval by the Governor.

15.—(i) The salary of chiefs is calculated according to the grade and status of the chief and the wealth of the unit as expressed by the gross amount of the tax which it pays and should not be raised in consequence of every small rise in the tax, for to do so is to perpetuate a claim to a percentage of the tax. If a unit has a sudden accession of population (e.g. by absorbing a weaker neighbour) it is proper to recommend a corresponding addition to the chief's salary. The salary of a chief is not, like that of a clerk, calculated on a wage basis, but is a sum paid to him to enable him to maintain his position and meet the necessary expenses of his office; that position and those expenses are not affected by an increase of a hundred or two taxpayers. Chiefs should, however, be warned that they must not incur liabilities for expensive articles such as motor cars or motor boats without the sanction of the Provincial Commissioner, and that if they disregard this advice, a report will be made to the Governor.

Personal  
emoluments



Provincial Commissioners may give authority to chiefs for reasonable purchases, but if considerable expense or difficulties of importation are involved, reference should be made to the Secretariat before any action is taken. When chiefs open private banking accounts the Provincial Commissioner should arrange for such control over them as the circumstances of each case admit and should always require that the pass book should be produced for inspection by the District Officer from time to time. In the event of a chief objecting to this, a report should be made to the Chief Secretary. Experience has shown that very few chiefs are yet sufficiently advanced to be able to operate a bank account of their own without getting into difficulties.

(ii) What is said above of chiefs applies equally to certain classes of sub-chiefs, for they occupy hereditary offices of some dignity : the border line between such sub-chiefs and ordinary paid district headmen is not easy to draw, but in any case a stabilization of salaries is to be aimed at. In this connection reference should be made to Memorandum No. I in which the question of the status of sub-chiefs and headmen is dealt with.

(iii) All other employees of a Native Authority are paid purely on a wage basis, in accordance with their efficiency, local wage-rates, and so on. It is important that incremental scales should be avoided : the salary is either enough, or it is not enough ; it is dangerous and very costly to introduce a system of increments. In cases where the duties or responsibilities of an office have greatly increased a proportionate increase may be made in the salary, but this must be distinguished from a system of increments depending on the passage of time.

(iv) Small salaries, payable monthly, quarterly or half-yearly, as may be most convenient, may be paid to village headmen, based on three per cent of the taxes paid by their village, if the chiefs so desire.

(v) Special emoluments for court work should as far as possible be avoided for they tend to give rise to the impression that court work is something outside the normal duties of a chief or headman ; but elders who receive no salaries may, if it is so desired, receive sitting fees when they are called to the Native Courts ; these fees should be small, in no case more than one shilling per diem, and only a specified number of fees may be paid at any court for any particular sitting. Such fees, however, should only be paid where they are really necessary, for it is desirable that the position of elders on the courts should be regarded as one of honour and not gain.

(vi) The tendency of most chiefs to extravagant establishments of subordinate staff should be checked by advice as far as possible and in extreme cases pressure may be brought to bear by deleting provision for subordinate staff from the budget. As far as possible chiefs should be prevented from surrounding themselves with unpaid followers (excluding, of course, elders and others who attend the chief as a matter of courtesy or



honour). Such followers generally rely upon the privileges of their position to maintain themselves at the expense of the peasantry and may easily become a serious imposition.

(vii) Care should be taken to see that all the employees of a Native Administration are aware of the amounts due to them monthly, quarterly, or as the case may be, as salaries, and understand that they may appeal to the District Officer if they do not receive those amounts. This having been done, payment should be left to be made by the Native Treasuries in the ordinary course of routine.

(viii) Important chiefs should *not be included in a common salary voucher* with their subordinates, but should give a separate receipt which should be filed in the Native Treasury.

(ix) If the use of vouchers has been introduced all other salaries should be paid on vouchers in the form of Native Treasury Form 5a: these vouchers should be prepared by the Native Treasury staff, and should be checked from time to time by Administrative Officers but once the Treasury clerks know how to prepare them, they need not be submitted monthly for approval before payment is made.

(x) Salary rates once fixed should be altered as infrequently as possible and above all should not be subjected to arbitrary reduction, particularly when the object is simply to find money for new services. In extreme cases financial stringency may necessitate a general reduction of salaries for which the Governor's sanction must be obtained, but normally even if it may seem that the salary of an office is excessive, the occurrence of a vacancy should be awaited before any reduction is made.

16.—(i) It is essential to distinguish between recurrent and extraordinary expenditure and for this purpose construction <sup>Other</sup> must be separated from maintenance in the case of all works. <sup>charges</sup> This is fully dealt with in paragraph 19.

(ii) Provision should not be made for allowances to chiefs such as transport and travelling, presents and rewards, entertainment and so on. Allowances which are in the uncontrolled power of the chief to expend as he wishes should be consolidated in the salary paid, which chiefs must understand is not pocket money, but a sum calculated to cover all their reasonable expenses and to enable them to maintain the dignity of their office. To pay these allowances in a form theoretically requiring that they be accounted for, whereas in fact there can be no control, is merely to create occasions for misappropriation, whereas, if they are included in the salary and it is then found that porters, for example, are not being paid, only disciplinary correction is required. In the case of councils, however, it may be necessary to make provision of this nature for expenses incurred by the Council as such as opposed to the personal expenses of individual members of the Council.

(iii)—(a) Stationery for Native Treasuries may be obtained, *in the case of free issues only*, from the Government Printer. All other stationery should be obtained by purchase in the

normal way. Lists of free issues to be obtained from the Government Printer and of other stationery to be stocked, and obtained from the approved agents (see footnote to Appendix II) have been placed in Appendix II. Provincial Commissioners should take care to see that invoices for stationery are promptly settled.

(b) Orders for goods, materials, machinery, etc., other than medical stores and stationery, which the Native Treasuries wish to purchase either locally or from overseas, may be placed with any firm of agents or with the manufacturers, subject to the approval of the Provincial Commissioner. Arrangements should be made when ordering for forwarding by rail, etc., with the firm from whom the purchases are made. Sub-accountants are not allowed to make advances to pay transport charges for Native Treasuries.

(c) Equipment and drugs for dressers employed by Native Administrations should be procured in accordance with the instructions of the Director of Medical Services which are reproduced in Native Administration Social Services Memorandum No. I, "Tribal Dressers and Native District Sanitary Inspectors."

(d) No goods or other stores may be obtained from the Government or Crown Agents, unless special instructions to that effect are issued in each case.

(iv) When works are to be constructed, especially large buildings, dams, wells or bridges, advice should always be sought from officers of the Public Works Department if they are available and every effort should be made to ensure that construction is technically sound.

(v) In general, Native Treasury funds should not be used for the construction of chief's houses unless there are special reasons (e.g. the destruction of a chief's house by fire); in every case houses built with Native Administration funds are the property of the Native Administration and not of the Chief. In the case of hospitals, dispensaries or other medical facilities, for which provision is made by Native Treasuries, the Director of Medical Services should always be consulted beforehand, both as to the details of construction and in order to make sure that he will be able to provide staff and equipment; where there is a medical officer stationed, his assistance should be enlisted and his views incorporated in any communication to the Director of Medical Services. If sanitation in any form is provided for, the advice of the Medical Officer of Health, if available, should be obtained.

(vi) Provision for education may include the building of village and Native Administration boarding schools, their general maintenance and the provision of teachers' houses. The teachers must be obtained from the Director of Education, who will retain control of their posting, rates of pay, and general discipline. The Native Treasuries will provide the salaries of teachers in Native Administration schools, and in respect of

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## NATIVE ADMINISTRATION MEMORANDA No. III

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Amendment Slip No. 1

29.12.39

### NATIVE TREASURIES

Page 10.—Paragraph 16 (v):—

From “In the case of hospitals” to the end of the paragraph to be deleted and the following substituted therefor:—

In the case of new hospitals, dispensaries or other buildings for the use of the medical services or of extensions to existing buildings therefor, the Provincial Medical Officer should in all cases be consulted beforehand both as to details of construction and to ensure that the establishment of the additional facilities is in accordance with provincial medical policy. It is important to ensure that care is given to the hygienic design of all buildings to be constructed from public funds, including attention to lighting, ventilation and the provision of suitable sanitation for the number of persons likely to use the buildings. Sketch plans of such buildings should be discussed with the Provincial Medical Officer or his representative and agreement reached as to what is to be constructed before the work is begun.



teachers employed prior to the 1st January 1938 may be assisted by a grant-in-aid where this liability places too heavy a strain on their resources. The "general maintenance" of schools may include the provision of food for the pupils in cases where, owing to a general shortage of food in the district, the District Officer is satisfied that the pupils are not being properly fed, and that their parents are in fact unable to feed them. Such cases must be distinguished from instances of wilful neglect of their children by parents who have, or can earn, the means to provide for them; the latter should as a general rule be referred to the Native Courts. Provision may also be made for the maintenance of the sons of chiefs and headmen at boarding schools if the parents cannot afford to pay the charges but, if the boarding school is not a Government or Native Administration school, care must be taken that the suggestion for such maintenance emanates from the parents of the boy and not from the Administrative staff.

The fact must also be faced that for some years to come it may be necessary to give assistance in cases not covered by the foregoing since it is from every point of view desirable that the best pupils from the Native Administration schools should be able to complete their education at a central school. In these cases the fees, or such proportion of them as the parents cannot afford, may be met from a special vote for the purpose in the budget of the Native Treasury, and if its resources are inadequate application may be made for special assistance from Government funds in the form of a grant-in-aid. Such applications should be submitted in good time in advance of the estimates. The sum so provided on the Native Administration Estimates will definitely limit the activities of the Native Administration in this respect unless or until such provision is increased. In all cases where money is to be spent on education the Education Department should be consulted before any commitments are made.

(vii) Funds may be provided for anti-tsetse work but such funds may only be used on works of proved efficacy and not for anything of an experimental nature.

(viii) In some districts Native Administrations have found funds to establish agricultural stations or farms, and for herds of grade cattle. These are excellent objects, which not only permit of the introduction of better qualities of seed and improved breeds of stock, but have a great educational value. Expenditure of this nature should be encouraged in every way, with the assistance, when available, of officers of the Agriculture and Veterinary departments; these departments should always be consulted. Where funds permit provision may be made for European or Indian personnel such as farm managers.

(ix) Roads have been graded into three classes: Trunk, District and Village. Village roads will be maintained by native treasuries, and provision should be made accordingly. The

annual clearing of village roads, which is a service of general utility to the community, will continue to be done by communal labour subject to the special instructions on this subject in the Memorandum on Labour, and provision should be made for rations for road parties, to include a few slaughter cattle or equivalent special ration to mark the conclusion of the annual road clearing. It is the policy of the Government however gradually to substitute paid for communal labour as funds permit and this should be kept clearly in mind when estimates are being framed. In thinly populated areas there will be stretches of road through uninhabited country, which should be cleared by paid gangs. The foregoing refers to maintenance; it must be clearly understood that no new construction may be undertaken, in the case of district roads, without the Governor's sanction, and in the case of village roads, without the sanction of the Provincial Commissioner; similarly existing roads must not be abandoned without sanction as above. Native Administrations may also undertake road maintenance in certain circumstances on contract on behalf of the Government but this will not affect their budgets. In making provision for road maintenance, it should be borne in mind that recurrent expenditure should not be inflated by the provision of funds for construction of permanent bridges, drifts, culverts and so on, but only for maintenance in accordance with existing standards. It is, however, very desirable that as much permanent work as possible should be done, and where funds permit Native Administrations would be well advised to make provision under extraordinary expenditure, year by year, for work of this nature, preferably in accordance with a programme worked out over a number of years.

(x) Where ferries are established by a Native Administration on village roads, fees for their use should be charged by the Native Administration concerned, calculated on a scale which will, as far as possible, cover the cost of operation. Alternatively ferries may be leased, fees being collected by the lessee in accordance with an approved scale.

(xi) Tents and camp equipment for chiefs and others should not be provided from Native Treasury funds. Where the need is sufficient, the erection of rest huts should be considered, towards the cost of which it may be necessary to arrange for contributions from all Native Administrations to which they are of service.

(xii) Funds may be provided in the Native Treasury budgets for the maintenance of lepers and leper stations and, subject to what is said below, for assistance to indigents, blind and cripples. It must be remembered however that the responsibility of the family and the village for indigents, etc., is perfectly understood by natives, and is a valuable custom which should not be impaired; we do not want workhouses in Africa: assistance should therefore be restricted to those exceptional cases where there are no relatives able to render it.



(xiii) Small "contingencies" votes should be provided, but their use should be restricted to minor payments of a nature which could not have been foreseen; the provision of chairs and badges of office for Native Authorities and headmen in accordance with the instructions laid down in Memorandum No. I may be met from this head.

(xiv) Transport votes should be provided sufficient to cover transport of Native Treasury stores such as stationery, seed, etc. In the case of seed for general distribution the Native Treasuries should recover the cost of distribution wherever possible from recipients. Where a Native Administration maintains a motor lorry, wagons, bicycles, etc., provision may be made to meet running costs. The initial cost of such transport will be a charge against non-recurrent expenditure and should be provided for accordingly. Travelling expenses are included in the salaries of chiefs and headmen (*see* paragraph 16 (ii)) and further provision should not be made, but care should be taken that this is understood.

(xv) Where funds permit uniforms for messengers should be provided, for from these Native Administration messengers will grow the Native Administration police of the future, and it is desirable now that they should be a disciplined and reputable body of men. Anything likely to be confused with military or police uniform should be carefully avoided.

(xvi) Cash boxes, office and court furniture, typewriters, and similar equipment should be provided for according to the size and status of the unit, on as economical a basis as possible. In particular the use of typewriters, which encourage unnecessary correspondence, should be restricted to units which really need them.

(xvii) Provision may be made also for the maintenance of accused persons, witnesses, etc., when funds permit. Rations only may be given in such cases, and not money in lieu.

(xviii) Cases will arise when funds will not suffice to meet salaries and other necessary expenses between the 1st January and the time when the tax is collected and the share of the Native Administrations credited to them, though normally Native Treasuries will have credit balances sufficient to see them through this period. When, however, funds do not suffice application should be made in good time for advances from Territory funds; the practice of making advances from the funds of one Native Administration to another, except for the limited purpose explained in paragraph 16 (iii) or to meet occasional minor payments as a matter of temporary convenience, is objectionable and is strictly forbidden. Applications for advances should specify the Native Treasuries for which advances are required and should state:—

- (a) The balance on hand on 1st January;
- (b) The expenditure which it is necessary to meet;
- (c) The amount of the advance required in each case;
- (d) The period for which the advance is required,

(xix) Provision should not be included in Native Treasury Estimates for the payments of grants or subsidies to missions in respect of education, medical, or other services without the prior approval of the Governor.

#### Accounting

17.—(i) All native treasuries and courts must keep and use the following forms, specimens of which will be found in Appendix II.

(a) Cash Book—N.A. Form 3 : in the case of the smaller courts whose transactions amount to trifling sums a suitable note-book may be made to serve the purpose of cash book.

(b) Receipt Book—N.A. Form 4.

The above are minima; where Native Administrations are sufficiently advanced it is desirable also to introduce the use of simple voucher forms for personal emoluments (N.A. Form 5a) and for other charges (N.A. Form 5b), but their introduction should not precede the capacity of the Native Treasuries by whom they are to be used to understand them.

(ii) It is of the utmost importance that the cash book should be a correct record of actual cash transactions, that is of the money put into, and taken out of, the safe and that it should always balance correctly with the safe. Few Native Treasury clerks can keep a cash account and bank account correctly in the same book and it is, therefore, generally preferable to keep a separate book for each account. The really important thing at the present stage is that the Native Authorities and their clerks should be trained in the receipt of money and its expenditure and for this reason, provided they keep the cash account, Provincial Commissioners may direct that the bank account should be kept in the district office, the cash account being put in funds, or making cash remittances to be exchanged for Treasury drafts and credited to the bank account, as occasion may require. If this is done the District Officer should be careful to explain the state of the bank account to the Native Authorities from time to time. Separate receipt books should be used when the two accounts are separated in this manner.

(iii) All cash received by Native Treasuries should be entered forthwith on the receipt side of the cash book, a receipt being given by the Native Treasury accountant to the payer, whether he be the Sub-Accountant as in the case of the share of the house and poll tax, and lump sums in cash from the bank account, etc., the clerk of a native court or any other person. The number of the receipt should be entered in the appropriate column of the cash book. Receipts in the form of cheques, or of vouchers from the Sub-Accountant in respect of share of house and poll tax, which are to be transmitted at once to the bank, should be brought to account in the bank account, a receipt being issued by the Native Treasury clerk or the District Officer according as the bank account is kept by the one or the other.

(iv) All cash payments should similarly be entered in the cash book as soon as they are made, with a reference to the



covering voucher (if any) : where vouchers are not in use some arrangement should if possible be made for payees to record their receipts, either by signature, mark or thumb print; the right-hand column of the cash book might be used for this purpose.

*Mutatis mutandis* the same procedure should be followed in the case of payments from the bank account.

(v) Cash books should be balanced weekly or monthly, as the Provincial Commissioner may direct, and surplus cash should be paid into the bank account. It is not possible to lay down a hard and fast rule as to the maximum balances which Native Treasuries may hold, and Provincial Commissioners must give their own directions as to this, but as a rule no Native Treasury should retain sums in excess of £25 in cash, unless there is some special reason. Whatever sum is fixed, Provincial Commissioners must be careful to see that orders are given on this very important point.

(vi) Native Treasuries should submit monthly or quarterly to the District Officer a transcript of the cash book and copies of vouchers, if in use; completed receipt books should be returned at the same time for verification with the cash book transcript and should then be retained in the District Office for a period of two years, after which they should be destroyed.

(vii) Native court clerks should be required to pay in to the Native Treasuries from time to time all cash in their possession and should be given a receipt by the Native Treasury, the number of which they should enter in their cash book. The balances to be held by Native Courts and the intervals at which they should pay into the Native Treasuries should be prescribed in accordance with local requirements by the Provincial Commissioner but balances in excess of £10 in the case of a superior court and £5 in the case of an inferior court should not be permitted to remain on hand without special reasons.

(viii) District Officers should inspect Native Treasuries at such intervals as may be necessary to ensure a proper standard of accounting and should immediately report any serious faults or deficiencies to the Provincial Commissioner. A record of the inspection, signed by the inspecting officer, and containing any criticisms or directions which he has had occasion to make, should be entered either in the cash book or in a book kept for that purpose. These inspections are distinct from the more elaborate audits or trial audits referred to in paragraph 11, and should be made as frequently as circumstances permit, and in any case *at least* once a quarter.

(ix) All Native Treasury accounting should be in Swahili unless for very special reasons the Provincial Commissioner sanctions the use of some other native language or of English.

(x) Care must be taken to see that chiefs take an interest in their treasuries and exercise proper control over their clerks :

this is difficult when the chief is illiterate and particularly so when there is a Council of Chiefs. Nevertheless every effort must be made to make chiefs realize that they are responsible and to assist them to exercise an effective supervision over all receipts and expenditure.

(xi) The practice of preparing vouchers and posting the cash book in advance of payments of wages should as far as possible be avoided; all the persons named on the voucher seldom in fact attend to receive their money at the appointed time and the result is that the clerks are left with odd sums representing the pay of absentees which sometimes remain for considerable periods in the safe, but do not appear in the books. Every effort must be made to inculcate the first principle of all accounting, that at any given moment what the cash book shows to be the balance, should in fact be found, exactly correct, in the safe.

(xii) However primitive a unit may be some form of vote book is obviously a necessity, though it may have to be kept in the District Office. A simple device to make votes clear to chiefs and headmen who have difficulty in understanding books has been adopted in some districts in the form of long boards with rows of holes drilled in them representing tens of shillings. At the beginning of the year pegs are inserted showing the totals of the votes, and each month movable pegs are set in position in the holes corresponding (to the nearest ten shillings) to the expenditure to date, the advance of the latter pegs from month to month very clearly illustrating the gradual consumption of the vote.

(xiii) The books and forms shown in Appendix III suffice for all ordinary purposes and, as simplicity is greatly to be desired, they should not be added to without good cause; but subject to the general control of the Provincial Commissioner, any other books or forms which are found to be required may be introduced.

(xiv) Great patience and forbearance are necessary in training chiefs and clerks in their duties and in ensuring accuracy of accounting and honesty; the custody and proper expenditure of public money are not things which can be quickly learnt. Subject to the Governor's instructions (*see* Memorandum No. I) regarding the prosecution of chiefs, deliberate dishonesty must be punished in the courts, but the experience of recent years shows that deliberate dishonesty is uncommon and that most faults are due to lack of training and the common African failing of letting things slide. The simplest possible form of accounts, and the most frequent inspection and advice, have been proved to be the essentials to success; given these there is more reason now than there was in 1925 to feel confidence in the future of the Native Treasuries.

18.—(i) It will be found in districts in which there are many Native Treasuries that work on their behalf at district headquarters will be considerable: the purchase and despatch



of stores, stationery, etc., the receipt and despatch of correspondence, checking accounts and keeping vote books, the rationing and supervision of Native Administration messengers when at headquarters, as well as the provision of accommodation and office facilities for chiefs when they come in, are a few of the matters which will require attention. There are many other directions in which Native Treasury agencies may develop in utility.

(ii) It has therefore been decided that where the Provincial Commissioner concurs, and the chiefs desire it, these agencies may be set up at district headquarters. They will be maintained by contributions from all the Native Treasuries in the district, which may be based on a flat rate percentage of the revenue of the unit, if the services rendered by the agency to each unit are of more or less equal value; if not, contributions *pro rata* to the services rendered should be levied. Provision for these contributions should be made in the annual budgets.

(iii) Separate office accommodation should be set aside for the agency, and all Native Treasury work should be performed there and kept distinct from ordinary district routine. It will be essential that a really good clerk (who should normally be an African) be employed, and there will be required one or two office messengers. The clerk must be carefully trained in all Native Treasury work, checking accounts, receiving and despatching stores and so on.

(iv) For the first year provision will have to be made for office furniture and equipment and a typewriter; thereafter the cost should be small, being restricted to the pay of the clerk and messengers (if any) and stationery.

(v) In time, as Native Treasury agencies grow, the erection of a special building from Native Treasury funds, including a chief's room and Baraza Hall, can be considered; pending the erection of buildings for this purpose the requisite office accommodation should be found in government buildings.

(vi) Native Treasury agency work, including correspondence and accounts, will normally be conducted in Swahili.

19.—(i) Native Treasury estimates should be submitted by District Officers annually so as to reach the Provincial Commissioner not later than the 1st of October. No expenditure beyond ordinary recurrent expenditure may be incurred after the 31st of December in any year until the estimates have been sanctioned by the Provincial Commissioner, except as provided in paragraph (xv) below.

(ii) Estimates should be made out in accordance with the specimen forms in Appendix I and should follow generally the Territory estimates. The English copy should be expressed in pounds. The footnotes should always appear *at the foot of the particular page to which they refer*, which should if necessary be totalled.

(iii) Estimates in the form in which they have been sanctioned by the Provincial Commissioner should be forwarded

Native  
Treasury  
estimates

with a covering memorandum for record in the Secretariat, where they should arrive before the 20th of January. It is convenient if the memorandum and the estimates are bound separately, and in general form the memorandum should resemble that which is sent to the Secretary of State with the Territory estimates. It should be complete in itself, and no further detailed explanations or comments should be included in covering letters, correspondence with District Officers, etc. Neither the notes to the estimates themselves nor the memorandum should contain reference to papers which are not on record in the Secretariat. The memorandum should indicate briefly the relation of recurrent revenue to recurrent expenditure, of personal emoluments to other charges, and of the estimated surplus balance to average annual revenue.

(iv) It is clearly impossible to lay down any rule of general application governing the amount to be retained as surplus balance. The actual purposes for which a surplus balance is necessary are the same for all units but local conditions must be taken into account in determining the specific amount which should be retained.

The total balance held by a unit should be regarded as consisting of (a) its reserve fund on which it can fall back if necessary in times of emergency to meet unforeseen contingencies such as famine, locust invasion or financial depression, and (b) a working balance to finance the unit during the period of the year when revenue lags behind expenditure. The reserve fund should be placed on deposit at the bank, or otherwise invested, as an insurance against any possible unforeseen contingencies. The remainder, held in the current account at the bank and/or in cash at the Treasury, is the working balance.

The experience gained during recent years makes it apparent that in present-day conditions few, if any, units can afford to reduce their reserve fund to less than fifty per cent of their normal annual revenue. In fact, this figure can be regarded as entirely "safe" only where favourable conditions normally prevail. In areas where famines or floods are periodic or where epidemic outbreaks are liable to occur the figure should be placed even higher. Again, where it is not yet practicable to maintain a ten per cent margin between recurrent revenue and recurrent expenditure the reserve fund should be proportionately greater than the suggested fifty per cent of normal annual revenue. The position will also be effected by the ratio between "personal emoluments" and "other charges." The higher the percentage of recurrent expenditure allocated to personal emoluments the greater the reserve fund necessary to ensure that the machinery of the Native Administration shall be kept running in full working order through a period of sudden stress or emergency.

There is also one other point which should be remembered in connection with the general question of surplus balances. In



NATIVE ADMINISTRATION MEMORANDUM No. III

NATIVE TREASURIES

S.M.P. 25557/21.

**Amendment Slip No. 3**

10.11.47

Paragraph 19 (v), page 19.

Delete the figure "£500" occurring in the sixth line and substitute "£1,000" in place thereof.





computing the amount which is available to meet sudden calls upon working balances the sums held by the Treasury on behalf of any depositors should not be included and only such advances as are immediately recoverable can be included.

(v) Care must be exercised in estimating the effect of any new work on future recurrent expenditure, particularly in the case of undertakings which do not produce revenue, e.g. medical schools, dispensaries, etc. Prior approval must be sought for proposed new capital works of which the total estimated cost exceeds £500<sup>1800</sup> or which, where the present surplus balance of the unit is below the "safety balance" (see attached Schedule ~~and detailed instructions below~~), involve an expenditure exceeding fifty per cent of the margin between recurrent revenue and recurrent expenditure.

AS No. 3

Deleted

A.S. 2

(vi) In certain cases there may be items of non-recurrent revenue, e.g. reimbursements of expenditure by Government, special contributions for water conservation, and the like : such non-recurrent revenue should always be distinguished from recurrent revenue and should be shown separately below the line in the revenue statement, but is of course merged in the general surplus balance.

(vii) New services should not be started unless it is reasonably certain that they can be maintained in future years : where such services are a charge to recurrent expenditure the only safe guide is the margin between recurrent revenue and recurrent expenditure in a normal, average year.

(viii) The share of the house and poll tax payable to Native Treasuries should in each case be stated thus :—

3/-	2/50	1/-
12/-	10/-	10/-

and so on, and the number of taxes should be stated in the manner shown in the specimen revenue statement in Appendix I.

(ix) If it is desired to ask for an increase in the share of house and poll tax paid to any Native Treasury representations to this effect should be made beforehand, in time to permit of the matter being settled before the Territory estimates, from which it is provided, are framed.

(x) The revenue statement should contain a note explaining any considerable increase or decrease in the number of taxes estimated to be collected; it is as a general rule unwise to estimate for an increase in the house and poll tax exceeding five per cent of the previous year's collection, in the absence of special circumstances.

(xi) The imposition of local fees and dues in accordance with section 15 of the Native Authority Ordinance is dealt with in Memorandum No. I. Such fees and dues may not be budgeted for until their imposition has been sanctioned by the Governor.

(xii) Revenue estimates should be worked out on a conservative basis. The danger of inflated estimates on this side of the budget, particularly if made with the object of presenting a balanced budget, is too obvious to need amplification. Care should be taken to see that no items of a non-recurrent nature appear in the estimates as recurrent revenue. If there is any doubt as to the correct classification of any item, safety demands that it should be shown as non-recurrent.

(xiii) In framing estimates of expenditure recurrent and extraordinary should be kept separate. Recurrent expenditure should be shown under "Personal Emoluments" and "Other Charges."

(xiv) Recurrent expenditure should always be kept well within recurrent revenue, since it is only by so doing that adequate surplus balances can be built up. The ever-widening development of the Native Administrations brings increasing demands for funds for extraordinary works and many of these in turn mean increases in recurrent expenditure. The aim should be to maintain a margin of not less than ten per cent between recurrent revenue and recurrent expenditure and treasuries with a smaller margin than this cannot be regarded as in a strong position nor, unless they already hold a large surplus balance, as being "safe." Any budget which is unbalanced, i.e. in which recurrent expenditure exceeds recurrent revenue, must be submitted to the Chief Secretary for prior approval which will only be given in a case of emergency.

(xv) When a work is incomplete on the 31st December in any year and funds allocated to it remain unexpended, the balance lapses and should be revoted for the ensuing year; but the work may be continued, so long as the approved estimate is not exceeded, even if the approved estimates are not in the hands of the District Officer by the 1st January.

Salaries of  
Subordinate  
Employees

(xvi) Salaries are to be regarded as the emoluments of the office and not of the individual. There is a tendency on the part of Native Administrations to suggest increases in personal emoluments and unless the position is carefully watched it may be found that increments, which at the time appear modest enough, in the aggregate and in the course of years amount to an alarming sum. Instructions regarding incremental scales have been laid down in paragraph 15 (iii) of this memorandum, and should be carefully followed.

A reasonable balance should be preserved in the relation which personal emoluments bear to the total recurrent expenditure. Normally the proportion of 70 to 75 per cent for personal emoluments and 25 to 30 per cent for other charges may be regarded as a satisfactory division although it may not always be possible to adhere rigidly to this ratio. Except in very special circumstances there should be no increase in the total of personal emoluments where these already equal or exceed 75 per cent of the recurrent expenditure.



Salaries of clerical staff must obviously be assessed according to the nature of their duties and normally those with financial responsibilities should be regarded as filling the more important posts. As far as possible the aim should be to introduce a degree of uniformity in this respect.

NOTE.—In the case of any suggested alteration in the emoluments of the more important chiefs Provincial Commissioners should submit their proposals for prior approval.

(xvii) Extraordinary expenditure should be set out in the form shown in Appendix I, all necessary explanations being included in the memorandum which accompanies the estimates, such as particulars of the nature and purpose of all works, the type of construction and any other material information: the sanction of the Governor or Provincial Commissioner for the insertion of each item should be quoted in a footnote.

(xviii) In some of the more advanced units activities such as maternity and child welfare clinics, schools, farms, etc., have now reached the stage where it is desirable to effect some subdivision of the estimates. In these cases subdivision should be effected according to the heads used for the analysis (see paragraph 20 below), i.e. "Tribal Administration," "Medical and Sanitation," "Education," "Agriculture" and so on. If this is done all expenditure chargeable to each head must be deleted from the general estimate and shown under the proper head divided between "Personal Emoluments" and "Other Charges" just as it is done in connection with the Territory estimates. When several units combine to meet the cost of such services, however, the most convenient way to show this is by a lump sum under "Other Charges" for each head as above, thus:—

Other Charges.

Item ...	Medical and Sanitation, Contribution to				
	Maternity Clinic	...	...	...	£xx
Item ...	Education, Contribution to Native				
	Administration School	...	...	...	£yy

and so on.

In these cases detailed estimates for each clinic, school and so on, in the same general form as the main budget (omitting of course the financial statement) should be submitted in support of the lump sum votes in the several budgets.

20. The estimates should be accompanied by an Abstract and Analysis *for the whole Province* in the form set out in the Appendix. Provincial Commissioners are requested to give particular care to the accurate compilation of the Abstract and Analysis in the prescribed form as they have to be printed with the Annual Report of the Territory and are laid on the Table of the Legislative Council.

Abstract and  
Analysis of  
Estimate to  
be submitted

21. Provincial Commissioners may sanction, without reference to Government, supplementary expenditure under recurrent votes or on extraordinary works, subject to the limit

Supple-  
mentary  
Estimates

laid down in paragraph 19 (v) and the general instructions given above. When sanctioning supplementary estimates Provincial Commissioners should continue to bear in mind that supplementary expenditure is only justified in case of emergency or for works and services which could not have been foreseen when the original estimates were framed, and which ought not to be postponed to the following year. There is no easier way of getting into financial difficulties than by means of supplementary expenditure, and excessive recourse to it rapidly demoralizes proper financial control. Supplementary estimates approved by Provincial Commissioners should be submitted to the Secretariat at the end of each half year, i.e. 30th of June and 31st of December, for scrutiny and record.

#### Advances

22. It is customary for Native Treasuries to make advances for the purchase of seed for distribution, for famine relief, etc. Native Administration funds should be used for such purposes in cases of emergency only and every endeavour must be made to see that the advances are duly recovered. Failure to insist on repayment whenever this is possible will only encourage the belief among the recipients of seed and other benefits that they are entitled to such assistance free and without any obligation on their part. The specific authority of the Provincial Commissioner must be obtained in all cases in which it is proposed to waive the recovery of advances, whether for the reason that they are definitely irrecoverable or for any other good cause. Care should also be exercised to ensure that no one section of the community is unduly subsidized at the expense of the others, e.g. dipping tanks for cattle owners, assistance to coffee growers in respect of free scales, stores, etc. Those assisted should bear at least a part of the cost of such assistance, and this can usually be contrived by the payment of small fees for the services provided.

#### Native Treasury financial statements

23.—(a) District Officers should prepare annual financial statements for each Native Treasury as soon as possible after the accounts for the year have been closed. These financial statements should be in form similar to that of the estimates, except that they should be expressed in pounds, shillings and cents: the left-hand column should show the approved estimates and the right-hand column the actual receipts or expenditure, as the case may be. They should include any supplementary estimates which have been approved. A specimen form will be found in the Appendix. The increase or decrease shown will, of course, be the increase or decrease of actual receipts or expenditure over the estimate, and not over the previous year.

(b) In the final financial statement, figures of Deposits and Advances will not appear, except that the *balances* of the Deposit and Advance accounts will appear as a debit or credit to the closing surplus balance as shown in Appendix IV.



24. District Officers should transmit their financial statements to their Provincial Commissioner as soon after the 31st December as circumstances permit, supported by a certificate of the balance in hand in each case in the following form :—

Certificates of balance to support financial statements

“Certified that the balance shown in the books of the Native Treasury of.....on the 31st December 19..... was as follows :—

Cash	...	...	...	...	...	£.....
Bank, Current account	...	...	...	...	...	£.....
Fixed Deposit	...	...	...	...	...	£.....

I have checked the book balance with the cash on hand and found it correct, and I attach the certificate of the bank together with a reconciliation statement in support of the bank balance.

Date..... District Officer.”

The following is the form of the Bank Reconciliation Statement :—

.....District.  
Native Treasury of the.....  
Final Financial Statement.....

Reconciliation Statement.

Balance as per Bank Pass Book	...	...	Shs	.....
Add remittance not credited being share of				
Native Tax for December 19....., etc.	...	Shs	.....	
		Shs	.....	
Deduct outstanding cheques not yet presented :—				
No. ....	Shs	.....		
No. ....	Shs	.....	Shs	.....

Balance as per Cash Book on 31st December 19..... Shs .....

25. Separate Deposit and Advance accounts should be kept by each Native Treasury, the totals of each side of which will be entered “below the line” after recurrent and non-recurrent revenue or expenditure, as the case may be, as shown below :—

Deposit and advance accounts

Total Revenue : £.....	Total Expenditure : £.....
Deposits received during year, including balance from previous year ... £.....	Deposits repaid during year ... £.....
Advances recovered during year... £.....	Advances made during year, including balance from previous year ... £.....
Grand Total ... £.....	Grand Total ... £.....

Scrutiny and  
collation of  
financial  
statements  
by Provin-  
cial Commis-  
sioners

26. Provincial Commissioners should scrutinize these statements and transmit them to the Secretariat with all necessary explanations regarding any statement which discloses over-expenditure in any item in excess of the amounts which they are authorized to sanction, or which indicates anything abnormal in the position of any particular Native Treasury, such as an exceptional increase or decrease of revenue. Provincial Commissioners will cause to be collated in their offices an abstract of revenue and expenditure and an analysis showing the expenditure on public services in each district of the province in accordance with the specimen forms in Appendix IV. These should accompany the financial statements, together with the Provincial Commissioners' certificates that they have satisfied themselves that the bank balances of all Native Treasuries tally with their books. This closes the accounts for the year and is a matter of importance to which careful attention should be given, for if it is not properly done the records of the Native Treasuries cannot be completed nor can the officers and chiefs concerned finally be discharged of their responsibilities as regards the financial transactions covered by these accounts.



APPENDIX I.

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SPECIMEN OF NATIVE TREASURY ESTIMATES.

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DRAFT ESTIMATES  
OF THE  
REVENUE AND EXPENDITURE  
OF  
THE NATIVE ADMINISTRATIONS  
OF THE

..... PROVINCE

For the Year 1938.

[N.B.—The explanatory memorandum is to be bound separately.]

# APPENDIX I.—(continued)

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	PAGE
Abstract of Native Administration Estimates...	...
Analysis ...	...
A. * .....District N. A. Estimates	...
A 1 † .....	...
A 2 ...	...
A 3 ...	...
B. * .....District N. A. Estimates	...
B 1 † .....	...
B 2 ...	...
B 3 Etc., etc.	

\**i.e.* "Tabora District," "Pangani District," or as the case may be.

†*i.e.* "Sultanate of Unyanyembe," or as the case may be.



# APPENDIX I.—(continued)

## 1. Abstract of Estimates of the Native Treasury of.....Province for the year 1938.

District	Estimated Balance from 1937	Estimated Revenue 1938			Estimated Expenditure 1938			Estimated Balance to 1939
		Share of House and Poll Tax	Recurrent Revenue (Court fees Receipts, etc.)	Non-Recurrent Revenue (Grants-in-aid, etc.)	Personal Emoluments	Other Charges	Extraordinary	
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Total £								

## SUMMARY.

### REVENUE.

### EXPENDITURE.

	£	s.	d.		£	s.	d.
Share of House and Poll Tax				Personal Emoluments	...		
Other Revenue	...	...		Other Charges	...		
				Extraordinary Expenditure			
Total Revenue	...	£					
Balance from 19	£			Total Expenditure	£		
				Balance to 19	...	£	
Total	£						
				Total	£		

## 2. Analysis of Estimated Expenditure on Public Services of the Native Treasuries of.....Province for the year.....\*.

District	TRIBAL ADMINISTRATION. (Including salaries of Chiefs, Headmen, Clerks, Assessors, Messengers, Uniforms, Agencies, etc.)	MEDICAL AND SANITATION. (Including all expenditure on Buildings, Drugs, Furniture, Staff, etc.)	EDUCATION. (Including Buildings. Maintenance, Books, Fees of Scholars, etc.)	AGRICULTURE. (Including Instructors, Labourers, Maintenance of Seed Farms, Buildings, Purchase of Seed, etc.)	VETERINARY. (Including Upkeep of Stud Farms, Purchase of Stock, Staff, Cost of Ghee Production Centres, Buildings, etc.)	ROADS AND BRIDGES. (All expenditure under this Head including any staff.)	TSETSE RECLAMATION. (All expenditure under this Head.)	WATER SUPPLY. (All expenditure under this Head.)	FORESTRY. (All expenditure under this Head.)	GENERAL. (Include under this Head all other expenditure.)	Total
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Total ...											

\*The figures should include the *total* expenditure recurrent and extraordinary under the Heads shown.

# APPENDIX I.—(continued)

## A 1. DISTRICT:—

NATIVE TREASURY OF.....

## FINANCIAL STATEMENT

1938.

	£	s.	d.
1. Surplus Balance on 31st December 1936*... ..	1000	0	0
2. <i>Add</i> Revised Estimates of Recurrent Revenue 1937 ...	5500	0	0
	6500	0	0
3. <i>Subtract</i> Revised Estimate Expenditure 1937† ... ..	5000	0	0
4. Estimated Surplus Balance on 31st December 1937 ...	1500	0	0
5. <i>Add</i> Estimate of Recurrent Revenue 1938 ... ..	5200	0	0
	6700	0	0
6. <i>Subtract</i> Estimate of Recurrent Expenditure 1938 ...	5100	0	0
7. Estimated Surplus Balance on 31st December 1938 ...	1600	0	0
8. Estimated Extraordinary Expenditure 1938 ... ..	320	300	0
9. To be transferred from Surplus Balances, Item 7 ...	320	300	0
10. Estimated balance carried forward to 1939 ... ..	1280	1300	0

*Cash ... ..	£100
Current Account	£300
Fixed Deposit...	£600
	<hr/>
	£1000

†	£
(a) Recurrent	4610
(b) Extraordinary	200
	390

*Deleted*  
*Amended*  
*by A.S.2*  
*of 8-4-60*



## ESTIMATES OF REVENUE, 1938.

Details of Revenue	Approved Estimates 1937	Estimates 1938	Increase	Decrease	Notes
	£	£	£	£	
I. Share of House or Poll Tax 1/- <i>82,000</i> 10/- for <i>8200</i> taxes	4,500	4,100	—	400	<i>a</i>
II. Court Revenue ... ..	<i>230</i> 730	850	100	—	<i>b</i>
III. Local Fees and Dues					
1. Ferry Fees ... ..	100	100	—	—	
2. Markets Dues and Slaughter Fees	100	100	—	—	
3. Ngoma Licences ...	50	50	—	—	
Total	250	250	—	—	
Total Revenue ... ..	5,500	5,200	100	400	
Balance from previous year	1,000	1,500			
	6,500	6,700			

*a.* Estimated decrease in House and Poll Tax.

*b.* Registration of Mohammedan Marriages and Divorces introduced.

*N.B.*—The explanations should be in the form of footnotes **on the same sheet as items appear.**

# ESTIMATE OF RECURRENT EXPENDITURE, 1938.

Details of Expenditure	Approved Estimates 1937	Estimates 1938	Increase	Decrease	Notes
	£	£	£	£	
<b>PERSONAL EMOLUMENTS.</b>					
<b>TRIBAL ADMINISTRATION.</b>					
1. The Chief ... ..	1200	1200			
2. Sub-Chiefs ... ..	1680	1680			
3. Clerks ... ..	252	252			
4. Messengers ... ..	90	90			
5. Ferryman and Canoe Crews...	115 4s.	115 4s.			a
<b>EDUCATION.</b>					
6. Teachers' Salaries ... ..	60	96	36		b
Total Personal Emoluments	3397 4s.	3433 4s.	36		
<b>OTHER CHARGES.</b>					
	£	£	£	£	
<b>TRIBAL ADMINISTRATION.</b>					
7. Stationery ... ..	20	30	10	—	b
8. Uniforms for Messengers ...	10	10	—	—	
9. Maintenance of Buildings ...	50	50	—	—	c
10. Maintenance of Ferries... ..	75	75	—	—	
11. Office and Court Furniture and Equipment ... ..	25	25	—	—	
12. Transport ... ..	100	100	—	—	e
13. Contingencies... ..	27 16s. 28	31 16s. 32	4	—	f
<b>EDUCATION.</b>					
14. School Equipment, books and furniture ... ..	25	25	—	—	
<b>ROADS AND BRIDGES.</b>					
15. Clearing and Maintenance of Roads ... ..	300	300	—	—	
<b>MEDICAL AND SANITATION.</b>					
16. Upkeep of Hospitals and Dispensaries ... ..	450	500	50	—	d
<b>TSETSE RECLAMATION.</b>					
17. Anti-tsetse work ... ..	200	200	—	—	
<b>AGRICULTURE.</b>					
18. Agricultural Experimental Station and Stock farm ...	320 160 3	320 166 7	—	—	
Total Other Charges	1602 16s.	1666 16s.	64	—	
<b>Total Recurrent Expenditure</b>	<b>£5000</b>	<b>£5100</b>			

NOTES.—a. 6 Canoe men for Chief: 2 Ferryman each at V, W, X, Y and Z.  
b. New village school at P. (C. S. letter No. ....of .....).  
c. Repairs to court-house at A.  
d. Increased provision for in-patients.  
e. This Native Administration maintains a lorry for transport purposes.  
f. Occasional assistance to indigents; badges for sub-chiefs and new chair of office for Chief.



.....NATIVE TREASURY

## 4

*N.B.*—The revised estimates of extraordinary expenditure in the Financial Statement should be shown as £390 and thereby tally with column 4.

The total under column 1 should tally with totals under columns 2, 4, 5 and 6.

## APPENDIX II.

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### LIST OF NATIVE TREASURY BOOKS, FORMS, ETC.

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- A. *Free Issues*, to be obtained from the Government Printer, are enumerated in Secretariat Circular No. 9 of 1930.
- B. Stationery and N. A. Books and Forms No. 1 to 5B to be purchased from the approved agents:—

- No. 1. Case Register (Kitabu cha Shauri)
- „ 2. Summons and Warrant Form (Kwitwa Shaurini)
- „ 3. Native Treasury Cash Book
- „ 3A. Cash Transcript Form
- „ 4. Native Treasury Receipt Book (Stakabadhi)
- „ 5A. Personal Emoluments Voucher
- „ 5B. Other Payments Voucher.

The attention of Provincial Commissioners is especially drawn to the *great importance of correctly filling in the particulars* of ports, railway stations, post offices, etc., to which goods are to be despatched and, if necessary, the method of forwarding beyond those points. Accounts for stationery should be settled promptly, the amount of exchange on up-country cheques being added or arrangements being made for payment through a Dar es Salaam Bank.

Price lists of stationery items and printed forms and books will be circulated from time to time.

(*Note*:—Until further orders the approved agents will be the Dar es Salaam Bookshop, P. O. Box 237, Dar es Salaam).

APPENDIX III.

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SPECIMEN NATIVE TREASURY FORMS.

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STAKABADHI

N.A. Form No. 4

Hazina ya.....

Nimepokea kwa.....

Shs.....Cents.....

Ng'ombe.....Mbuzi.....

Kwa ajili ya.....

Tarehe.....19.....

.....  
(Stakabadhi in books of 100 in duplicate).

To be obtained from the Approved Agents.



## DAFTAR I

N.A. Form No. 3

*Kulipa Fedha*

Tarehe	Jina la mtu alipaye	Sababu ya kulipa	Nambari ya Stakabadhi	Hesabu <div>Shs Cts</div>
		[A separate form No. 3a is also obtainable for use as a Cash Book Transcript form.]		
		To be obtained from the Approved Agents		

(REDUCED FACSIMILE).

HAZINA YA: .....

MALIPO YA MSHAHARA.

TEFUND No.

Tarehe	Kazi	Jina	Tangu	Hata	Jumla		Sahihi au Alama ya Mwenyi Kulipwa
					Shs	Cts	
					Jumla Shs		

Sisi tumeshuhudia kwamba watu wamelipwo kama ilivyoandikwa humu.

1.....  
Sahih ya Shahidi

Hati hii ni ya watu wafanyao kazi mwezi kwa mwezi, sio ya vibarua.

*To be obtained from the Approved Agents.*

Tarehe.....

**MALIPO YASIYO MSHAHARA** (Yaani kununua vitu, kulipa vibarua, ao wapagazi, na mengineo).

[illegible]

Mimi ninashuhudia ya kwamba watu wamelipwa kama ilivyoandikwa humu.

Mimi Mlipaji nashuhudia ya kwamba nimelipa fetha jinsi ilivyoandikwa juu.

1.....  
*Sabiti ya Shahidi*

*Sahihi ya Mlipaji*

In the case of large numbers of labourers or porters it will suffice to give the total numbers and the gross amount paid on the voucher itself, details being recorded in muster rolls or separate sheets, as the Provincial Commissioner may direct.

Tarehe.....

*To be obtained from the Approved Agents.*



**ABSTRACT OF THE FINAL FINANCIAL STATEMENTS OF THE NATIVE TREASURIES OF EACH  
DISTRICT IN THE.....PROVINCE FOR THE YEAR 19.....**

DISTRICT	ACTUAL BALANCE FROM 19.....			ACTUAL REVENUE 19.....			ACTUAL EXPENDITURE 19.....			
	£	s.	c.	Share of House and Poll Tax	Other Revenue, Court fees, etc.	Non-Recurrent Revenue (Grants- in-Aid, etc.)	Personal Emoluments	Other Charges	Extra- ordinary	Actual Balance to 19.....
1.				£ s. c.	£ s. c.	£ s. c.	£ s. c.	£ s. c.	£ s. c.	£ s. c.
2.										
3.										
4.										
5.										
6.										
7.										
8.										
Total ...										

**SUMMARY.**

<i>Revenue</i>			<i>Expenditure</i>		
£	s.	c.	£	s.	c.
Share of House and Poll Tax ...	...		Personal Emoluments ...	...	
Other Revenue ...	...		Other Charges ...	...	
Non-Recurrent Revenue ...	...		Extraordinary Expenditure...	...	
Total Revenue ...	£		Total Expenditure ...	£	
Balance from 19.....	£		Balance to 19.....	£	
Total ...	£		Total ...	£	

ANALYSIS OF ACTUAL EXPENDITURE ON PUBLIC SERVICES OF THE NATIVE TREASURIES OF EACH  
DISTRICT IN THE..... PROVINCE FOR THE YEAR 19.....\*

District	Tribal Administration	Medical and Sanitation	Education	Agriculture	Veterinary	Roads and Bridges	Useful Reclamation	Water Supply	Forestry	General	Total
1.	£ s. c.	£ s. c.	£ s. c.	£ s. c.	£ s. c.	£ s. c.	£ s. c.	£ s. c.	£ s. c.	£ s. c.	£ s. c.
2.											
3.											
4.											
5.											
6.											
7.											
8.											
Total											

\*The figures should show the total expenditure, including both recurrent and extraordinary, under the various Heads.

# APPENDIX IV.

## NATIVE TREASURY OF.....

### FINAL FINANCIAL STATEMENT

19.....

	£	s.	c.
1. Surplus Balance on 31st December 19.....	...	...	...
2. Actual Revenue collected 19.....	...	...	...
(a) Recurrent	...	...	...
(b) Non-recurrent	...	...	...
3. Total	<hr/>		
4. Actual Recurrent Expenditure incurred 19.....	...	...	...
5. Actual Extraordinary Expenditure incurred 19.....	...	...	...
6. Total	<hr/>		
7. Surplus Balance carried forward to 1st January 19.....	...	...	...
(i.e. difference between 3 and 6).			

	£	s.	c.
1. On fixed deposit in bank	...	...	...
2. On current account in bank	...	...	...
3. Cash in Native Treasury	...	...	...
4. Add balance of advances outstanding*	...	...	...
5. Deduct balance of deposits†...	...	...	...

#### Notes:

\*Item 4: Balance of advances at beginning of year .....

Add advances made during year ...

Deduct advances recovered during year .....

Balance of advances outstanding: ...

†Item 5: Balance at beginning of year ...

Add deposits received during year ...

Deduct deposits repaid during year ...

Balance of deposits: ...

AS 2 11 1940



NATIVE TREASURY OF .....  
REVENUE COLLECTED 19.....

Details Revenue	Approved Estimates 19	Actual Receipts 19	Increase	Decrease	Notes
	£ s. c.	£ s. c.	£ s. c.	£ s. c.	
I. Share of House and Poll Tax for..... taxes					<i>a</i>
II. Court Revenue ... ..					
III. Local Fees and Dues...					
1. Ferry Fees ... ..					
2. Market Dues and Slaughter Fees ...					
3. Licences (Ngoma) ...					
4. Etc. ... ..					
Total					
VI. Grants-in-aid ... ..					
Total Revenue					
Balance brought forward 1st January 19.....					

*a.* State the total number of taxes in respect of which rebate has been drawn.

**NATIVE TREASURY OF .....**  
**RECURRENT EXPENDITURE INCURRED 19.....**

Details of Expenditure	*Authorized Expenditure 19	Actual Expenditure 19	Increase	Decrease	Notes
	£ s. c.	£ s. c.	£ s. c.	£ s. c.	£ s. c.
<b>Personal Emoluments.</b>					
TRIBAL ADMINISTRATION.					
1. The Chief ... ..					
2. Sub-Chief ... ..					
3. Clerks ... ..					
4. Messengers ... ..					
EDUCATION.					
5. Teachers' Salaries ...					
6. etc. ... ..					
7. etc. ... ..					
8. etc. ... ..					
Total Personal Emoluments					
<b>Other Charges.</b>					
TRIBAL ADMINISTRATION.					
9. Stationery ... ..					
10. Uniforms ... ..					
11. Maintenance of Building, etc. ... ..					
ROADS AND BRIDGES.					
12. Roads ... ..					
MEDICAL AND SANITATION.					
13. Dispensaries... ..					
14. etc. ... ..					
15. etc. ... ..					
16. etc. ... ..					
Total Other Charges					
Total Recurrent Expenditure					

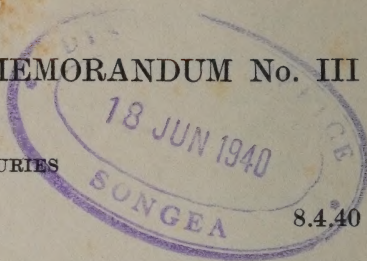
\*This column should include the original estimates and *any Supplementary Estimates* explained by a footnote thus: *a.* Original Estimate £..... Supplementary Estimate No. 1 £..... Total.....

NOTE:—For the statement of Extraordinary Expenditure the same form as for the Estimates should be used with the addition of a column at the right-hand side headed "Actual Expenditure". On this form it should be stated by means of a footnote if a work has been completed, a single footnote with appropriate reference letter will serve for all completed works.

*Mrs. Taker*

## NATIVE ADMINISTRATION MEMORANDUM No. III

### NATIVE TREASURIES



#### Amendment Slip No. 2

- ✓ (a) Paragraph 19(r). Page 19.

Delete the words "(see attached schedule and detailed instructions below)".

- ✓ (b) Financial Statement. Page 28.

Delete the columns under "s" and "d", i.e. the shillings and pence columns.

Amend the figures against items 8 and 9 to read "£320" in each case and amend the figures against item 10, Estimated Balance carried forward to 1939, to read "£1,280."

Amend the footnote to item 3, to read—

"(a) Recurrent £4,610."

(b) Extraordinary £390."

- ✓ (c) Estimate of Revenue. Page 29.

(1) Amend the figure "8,200" taxes in the first column to read "82,000" taxes.

(2) Amend the figure under Head II, Court Revenue, in the second column (Approved Estimates 1937) to read "750".

- ✓ (d) Estimate of Recurrent Expenditure. Page 30.

Delete the shillings under columns headed "Approved Estimates, 1937" and "Estimates, 1938"; amend the amounts shown against item 13, Contingencies, to read "£28" and "£32" respectively and the "Total Other Charges" to read "£1,603" and "£1,667" respectively.

Estimates of Extraordinary Expenditure. Page 31.

Delete the words "The total under column 1 should tally with totals under columns 2, 4, 5 and 6".

Final Financial Statement. Page 39.

Change the asterisk at item 7 to "(x)" and insert a similar sign above the "1" in the first line of the footnote, which reads "1.—On fixed deposit in Bank".

S.M.P. 25557/27.

*Copy amended.*  
*18/6/40*







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